

5160:1-3-03.1

Medicaid: income.

(A) This rule defines how income is treated for the purpose of determining eligibility for medical assistance for aged, blind, or disabled individuals.

(B) Definition: "Income" means cash, income in-kind, or something of value which is received, available, and attributable to an individual. Income includes the receipt of any item which can be applied, either directly or by sale or conversion, to meet the needs of an individual. In-kind income is not cash, but is food, shelter, or something which can be used to get food or shelter. Income is divided into two categories:

(1) Earned income consists of wages, net earnings from self-employment, payments for services performed in a sheltered workshop, royalties, and honoraria received for services rendered.

(2) Unearned income includes all other income.

(C) Administrative agency responsibilities.

(1) Eligibility for medical assistance is dependent in part upon the amount of income available to or received by the individual.

(2) All income must be considered in determining the income of an individual.

(3) Potential income must be explored prior to approving medical assistance. An individual who does not avail himself/herself of potential income is presumed to fail to do so in order to make himself/herself eligible for medical assistance. Such non-utilization of income constitutes ineligibility unless good cause can be shown. Such income includes but is not limited to:

(a) Retirement, survivors, disability insurance (RSDI);

(b) Prouty benefits;

(c) Railroad retirement;

(d) Veterans benefits;

(e) Other public/private retirement benefits;

(4) When an eligible individual resides with an ineligible spouse or parent(s), a portion of the ineligible spouse's or parent's income must be deemed as attributable income to an eligible individual. Attributable income is assumed to be available to an eligible individual. The deeming of income is subject to conditions and limitations as described in rule 5160:1-3-03.3 of the Administrative Code.

(D) Income is counted on a monthly basis.

(1) Gross income, prior to any deductions or exclusions, that can be reliably anticipated is considered available in calculating countable income for a month. Thus, when an individual is receiving a pension or is regularly employed or self-employed, the expected amount of income is counted.

(a) Wages are counted as earned income in the calendar month in which they are paid even if all of the work which produced the wages is performed in a prior month.

(b) If the time of receipt of the income is at the employee's discretion, the employee must avail himself of such wages.

(c) If the payment of wages is deferred at the employee's request, the administrative agency must determine when the wages would normally have been paid and allocate them accordingly. The administrative agency must assume the wages were payable in equal segments throughout the applicable period and determine eligibility accordingly.

(2) Net-earnings from self-employment is gross income from any trade or business minus allowable deductions for that trade or business. For self-employed home day-care providers, the net-earnings from self-employment is fifty per cent of the provider's gross income or the gross income minus verifiable actual operating expenses.

(a) If the individual has filed taxes for the previous year, use all tax forms that were filed with the internal revenue service (IRS).

(b) If the individual has not filed taxes for the previous year, the following may be used:

(i) Business records including receipts for the costs of doing business,
or

(ii) Estimated net income.

(E) Under certain circumstances, the amount of income which must be determined as available to an individual may be greater than an individual will receive or have for his own use.

(1) When an individual has been court-ordered to pay child support and/or spousal support to a former spouse, these payments must not be deducted from countable income to the individual. When the child support/spousal support is paid directly to the former spouse or child's guardian by the employer or benefit payer, the income continues to be determined available income to the

individual receiving medical assistance.

(2) Court ordered income deductions must be considered available income to the medical assistance individual.

(3) A division of marital property in a divorce settlement, which may include a retirement pension, is not considered a court ordered income deduction.

(4) Deductions due to a repayment of an overpayment, loan, or other debt must be considered as available income unless the amount being withheld to reduce a previous overpayment was included when determining the amount of unearned income for a previous month in the determination of medical assistance eligibility.

(5) Garnishments and liens placed against earned or unearned income of an individual must not be deducted from countable income, regardless of the purpose for the garnishment or lien.

(F) Income exclusions in the determination of medical assistance eligibility are identified in rule 5160:1-3-03.2 of the Administrative Code.

(G) Verification of income.

(1) The individual's statements of source and amount of income are subject to verification. At the time of application/renewal, the individual and household member(s) whose income affects the individual, must be verified electronically or documents shall be required to be submitted which verifies all sources of income. If necessary, the administrative agency must obtain a signed release of information and contact other sources to verify income.

(2) An individual's report of income is subject to verification when a review is conducted by the ODM quality assurance review section.

(3) The individual has the burden of verifying the sources and amounts of income, and has the responsibility of reporting income changes to the administrative agency in accordance with rule 5160:1-2-08 of the Administrative Code.

(4) When an individual claims to have no income at the time of application/renewal, the administrative agency must review the application/renewal for inconsistencies requiring resolution. It is the individual's responsibility to support the claim of no income. However, if verification is not available and the individual has cooperated in trying to obtain it, the administrative agency may process the case based on the individual's statement as long as there is no evidence to cast doubt on the income allegations. Reference rule 5160:1-2-10 of the Administrative Code for additional information on acceptable verification.

- (H) When income in-kind is received, the administrative agency must determine whether in-kind support and maintenance is being received in accordance with rule 5160:1-3-03.8 of the Administrative Code.
- (I) Receipt of cash, income in-kind, or something of value in a particular month is income to the individual for that month. Any portion of the income which is retained by an individual into the next month becomes a resource.
- (J) The following items are not income, in accordance with 20 C.F.R. 416.1103 (as in effect on February 1, 2016). This list is not all inclusive:
- (1) A personal service performed for an individual is not income to the individual where the service is not convertible to cash.
 - (2) Payments made on behalf of an individual under credit life or credit disability policies directly to loan companies, mortgage companies, etc., are not considered income.
 - (3) Money an individual borrows or money received as the repayment of the principal of a bona fide loan is not considered income. Any interest received on the money loaned is unearned income. If the proceeds of the loan are retained in the month following the month of receipt, they are counted as a resource.
 - (4) A bill paid directly to a creditor or vendor by a third party on behalf of the individual, unless payment is for food or shelter to include:
 - (a) A premium payment for supplementary medical insurance.
 - (b) Medical insurance premiums.
 - (5) An arrearage of child support which is payable to an individual on behalf of an adult child unless the individual retains the income and does not give it to the adult child.
 - (6) Receipts from the sale, exchange or replacement of a resource are not income but are resources that have changed their form.
 - (7) A rebate, refund or other return of money an individual has already paid. The money returned is not income.
 - (8) Any amount refunded on income taxes already paid.
 - (9) The replacement of an individual's income that was lost, stolen or destroyed and was previously used in determining eligibility.

(10) A return of erroneously received payments.

(11) Cash or in-kind assistance from a governmental or nongovernmental program for medical or social services that are not food or shelter.

Replaces: 5160:1-3-03.1
Effective: 08/01/2016
Five Year Review (FYR) Dates: 08/01/2021

CERTIFIED ELECTRONICALLY

Certification

07/12/2016

Date

Promulgated Under: 111.15
Statutory Authority: 5160.02, 5163.02
Rule Amplifies: 5160.02, 5163.02
Prior Effective Dates: 9/3/77, 12/31/77, 3/1/79, 10/1/79, 12/7/79, 1/3/80, 12/1/84 (Emer.), 2/10/85, 8/1/85, 10/1/88 (Emer.), 12/20/88, 9/1/92, 10/1/02, 7/1/05, 10/1/06, 1/25/15